

Connecticut Municipal Budget Adoption Experiences

FY 2011-12

This is the twenty-second year that the ACIR surveyed all 169 Connecticut municipalities and 17 regional school districts for their experiences in adopting their operating budgets. This information is compared with data from previous years to identify trends and establish a context. As of October 14, 2011, all 169 municipalities and all 17 regional school districts have adopted their budgets for FY 2011-12. The following is a summary of the responses from the municipalities and regional school districts.

Municipal budget-making authorities generally begin to hold meetings on local budgets as early as January or February. This schedule provides a period of four to five months for the budget adoption process before the beginning of the new fiscal year. This report includes two ways of measuring whether a municipality has had difficulty adopting its budget: 1) the date of adoption and 2) the number of votes necessary to adopt that budget. If the budget is not adopted by June 30, then the municipality has to start the new year without an updated financial plan in place.

	Budget Adoption Body ^A					Total Number of Votes ^B			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Town Meeting	49	49	47	52	1 Vote	131(78%)	149 (88%)	145(86%)	152 (90%)
Referendum	68	72	77	69	2 Votes	17 (10%)	14 (8%)	12 (7%)	7 (4%)
Council	37	35	31	36	3 Votes	12 (5%)	5 (3%)	8 (5%)	10 (6%)
Rep. Town Meeting	6	6	4	5	4 Votes	4 (2%)		3 (2%)	
Other	6	6	10	7	5 Votes	2 (1%)		1 (<1%)	
					6 + Votes				
NAAOP ¹	3	1			NAAOP ¹	3 (2%)	1 (<1%)		

A) Comment: The number of municipalities adopting their budgets by referendum, 69, is a decline from the gradual increase in the number of towns adopting their budget by referendum. Although there also was a slight decline in 2008, the number is much larger than a decade earlier. Only 48 municipalities adopted their budgets by referendum in 2000. That increase has been balanced in large part by a decline in the number of municipalities adopting their budget by town meeting. Although the number increased to 52 this year, that is a substantial decrease from the 74 that did so in 2000.

B) Comment: Of the 69 towns adopting budgets by referendum, 55 were approved on the first vote. Considering multiple referenda in numerous towns, there have been 90 municipal budget referenda this year, 21 fewer than in 2010 and 70 less than the high of 160 referenda in 2007, when only four more towns adopted budgets by referendum.

1. Not adopted as of publication of this report.

Dates of Adoption

Budget Year	Before June 1	June	July	August	Sept.	Oct.	Nov.	Not Adopted as of Publication
2000-2001	140	24	2	2				1
2001-2002	131	27	5	4	1			1
2002-2003	118	34	6	5	2			4*
2003-2004	119	27	10	4	4			5**
2004-2005	121	33	4	3	6			2
2005-2006	126	29	8	1	1			4
2006-2007	131	26	8		4			
2007-2008	127	25	6	5	4	2		
2008-2009	126	27	6	4	3			3
2009-2010	144	22	1	1				1
2010-2011	132	31	3		1	2		
2011-2012	134	29	2	1	1	1		

Comment: In 2011, 5 municipalities adopted their budgets after the start of the new fiscal year. This was a decrease from 2010, when 6 did so, and was lower than all but one year since 2000.

Note: For towns belonging to regional school districts, the adoption date listed here is the date the town adopts its general government budget, except when the regional school budget is not adopted at the time of publication. When that happens, those towns are included on the list of those not adopting their budgets at the time of publication.

*Bethany, Orange and Woodbridge make up Regional School District 5. Although each town had adopted its general government budget when this report was published in 2002, they are listed here because the school district had yet to adopt a budget.

**Andover, Hebron and Marlborough make up Regional School District 8. Although each town had adopted its general government budget when this report was published in 2003, they are listed here because the school district had yet to adopt a budget.

The number of votes needed to adopt a budget might be an indicator of division within a municipality. 2009 ended an eight year period in which municipalities seemingly experienced some difficulty in adopting budgets, especially in adopting budgets by July 1. In each year during 2001-2008, 11-23 municipalities adopted their budgets after July 1. There were only three in 2009, six in 2010 and five this year. In 2011, furthermore, only seven municipalities needed as many as three votes to adopt a budget. That is five fewer than in 2010 and fewer than all other recent years, with the exception of 2009, when only five municipalities needed as many as three votes. 2009 had also been the only time since ACIR began tracking budgets that no municipality needed more than three votes, but it happened again in 2011. Section 7-405 of the Connecticut General Statutes stipulates that if a municipality hasn't adopted a budget by July 1, it may make necessary expenditures for ninety days as authorized by the budget-making authority. If there is still no budget at the end of the 90-day period, municipalities may make necessary expenditures on a month-by-month basis, within the limits of appropriations specified in budgetary line items for the previous fiscal year. This does not include charter towns, which may adopt their own provisions.

Previous editions of this report have stated that municipalities seem to adopt their operating budgets with relative ease when the national and regional economic indicators are good, but there is more scrutiny of budgets when economic indicators are not good and it is harder to adopt budgets. The relative ease in which budgets have been adopted since 2009, a period in which economic measures have not been good, suggests that the relationship is not so simple. One indication of the difficult economic times is that 24 municipalities adopted a decreased budget in 2011, even after 30 municipalities did so in 2010 and 88 did so in 2009. Only five municipalities had in 2008. It might be increasingly difficult to do so as budgets become leaner.

Intervals Between Votes - 2011
(For budgets adopted after June 15*)

<u>Town</u>	<u>Votes</u>	<u>Dates</u>			
Canterbury	3	6/17, 6/21, 7/20	Griswold	3	5/16, 6/7, 6/28
Hampton	3	5/17, 6/14, 7/7	Killingly	1	6/28
Montville	2	6/9, 6/21	Norfolk	1	6/27
Scotland	2	5/19, 6/22	Stafford	3	5/18, 9/13, 10/13
Sterling	1	6/30	Thomaston	1	8/3
Thompson	2	5/24, 6/16	Union	3	6/2, 6/16, 6/30
Windham	3	5/10, 6/7, 9/27			

Comment: In 2011, only 13 municipalities adopted their budgets after June 15. Although that is 1 more than in 2010, it is 10 less than in 2008. 2009 had the fewest number of municipalities do so since ACIR started tracking this information. The 2003 figure of 34 is the highest number ACIR has recorded since it started to keep track in 1990.

* June 15 is considered the latest date a town can adopt its budget and still have time to get its tax bills out in a timely manner prior to the beginning of the fiscal year.

FY 2011-2012 Budget Data
Municipalities

Cumulative Adopted Budget Total - \$12,495,306,811

Median increase: 1.5% Largest increase: 6.5% Lowest increase/largest decrease: (-4.1%)

0 Towns had budget increases of 10% or more	57 Towns had budget increases between 1 - 1.99%
0 Towns had budget increases between 9-9.99%	33 Towns had budget increases between 0 - 0.99%
0 Towns had budget increases between 8-8.99%	15 Towns had budget decreases between -0.01 - -0.99%
0 Towns had budget increases between 7-7.99%	2 Towns had budget decreases between -1 - -1.99%
3 Towns had budget increases between 6-6.99%	4 Towns had budget decreases between -2 - -2.99%
5 Town had a budget increase between 5-5.99%	2 Towns had budget decreases between -3 - -3.99%
8 Town had a budget increase between 4-4.99%	1 Towns had budget decreases between -4 - -4.99%
16 Towns had budget increases between 3-3.99%	0 Towns had budget decreases between -5 - -5.99%
23 Towns had budget increases between 2-2.99%	0 Town had a budget decrease of more than -6%

Regional School Districts

Cumulative Adopted Budget Total - \$469166,818, a 1.7% increase from the previous year.

Highest increase: 4.9% Lowest increase/decrease: 0.0%

0 Districts had budget increases between 6-7%	4 Districts had budget increases between 2-3%
0 Districts had budget increases between 5-6%	8 Districts had budget increases between 1-2%
1 Districts had budget increases between 4-5%	4 District had budget increases between 0-1%
0 District had budget increases between 3-4%	0 Districts had a budget decrease

Regional School District Responses

Budget Adoption Body

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
District Meeting	3	2	1					2	1	1
Referendum	13	14	16	17	17	17	17	15	16	16
Other										
Not Adopted as of Publication	1	1								

Number of Votes

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1 Vote	12	9	11	9	15	14	11	15	16	15
2 Votes	1	5	3	5	1	2	1	1		1
3 Votes	2	2	1	3	1		4	1		1
4 Votes	1	1				1				
5 Votes							1			
6 Votes			1							
7 Votes	1									
8 Votes										
9 Votes										
Not adopted as of Publication	1	1								

Date of Adoption

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Before June 1	12	12	13	12	15	16	12	16	17	16
June	2	4	2	4	1		4	1		1
July	1		1	1	1		1			
August			1			1				
September	1									
Not Adopted as Of Publication	1	1								

Comment: As a group, the regional school districts were similar to the municipalities in the apparent ease with which they adopted budgets in very difficult economic times. No district started the fiscal year without a budget; in fact, only one district adopted its budget after May and only two districts required more than one vote to adopt a budget. Sixteen districts adopted their budgets by referendum, using a total of 19 referenda, two more than last year, but seven fewer than 2009. One budget was adopted at a district meeting, like last year. Combined, the districts' budgets increased 1.7%, like last year, with five districts having an increase over 2%. Interestingly, four other districts had increases of 1.96% - 1.99%, suggesting that 2.00% is a threshold that some school districts try to avoid crossing.